

debate is just beginning. It has not concluded. We will have an opportunity to get into greater detail on these measures on the floor of the Senate. But I hope, Mr. President, that the Governors of these United States—not only my State, but the other States—will be asked about the impact of the proposed Republican Medicare cuts on seniors in their States. This is going to be a matter of national debate and discussion. We can address in a responsible way the needs of the trust funds without seeing these dramatic cuts used for tax cuts for the wealthiest individuals and corporations. I say no to that. We will battle on the floor of the U.S. Senate, and we will battle with this President, who has said no to the proposed Republican Medicare cuts, and we will fight for our seniors because they have made this Nation the great Nation that it is, and we owe them no less. We owe them a great deal more.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICARE

Mr. DOMENICI. Mr. President, I am sorry I could not be on the floor during the remarks of Senator KENNEDY with reference to health care in the United States, and in particular Medicare. By coincidence, unbeknownst that he would speak, I had prepared for myself to deliver today—since we are at about the 30th anniversary date of the passage of Medicare—a speech that I am prepared to give to the Senate. I believe I heard enough of the Senator's remarks that, at some point, I will depart from the speech and answer a few of the comments made.

I will start right off by saying that it is unfair to the senior citizens of the United States to talk about what might be, or how things ought to be, and not tell them how things are.

The fact of the matter is that the cornerstone of hospital health care for our seniors—Medicare—is in big trouble. And to make a speech about the seniors and scare them about the future, without telling them the truth, does not seem to me to be the right way to treat our seniors, who are filled with wisdom, understanding, and truly think this is a great Nation and would like very much to do their share to try to fix some things that are going wrong.

So the No. 1 point is that there has been in existence a group of Americans who reviewed thoroughly the status, the financial status, and the delivery system called Medicare. Mr. President, that is not a Republican group. As a

matter of fact, one might call it, if you seek to partisanize it, a Democratic group, because three Cabinet members of this President and the appointee of this President who heads Social Security were four members of the Commission—the majority. There are only two more. And all six of them, including the four, wrote a report to the people of this country, the seniors, the President, and the Congress, and told us in no uncertain language that the Medicare Program was in trouble because it was costing too much. I just want to read their recommendation so that we put everything into perspective. Their final words of real recommendation were the following:

We strongly recommend that the crisis presented by the financial condition of Medicare trust funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit programs, and delivery system.

Now, Mr. President, you would not have gathered from the comments of the distinguished Senator from Massachusetts that anything like this had even happened. Here sits a report—I wish I had a copy of it. If I am going to talk about it, I should bring it around. When I saw it, it was a little yellow notebook with a yellow cover, properly styled. I repeat, the Commissioners, four of whom work for this President, said the time is now—and I am going to repeat what they said we ought to be doing.

It is very, very simple. But Members would not have heard it from the speech of the Senator from Massachusetts. They said, "It is time to review the program's financing methods, benefit provisions, and delivery mechanism."

Now, why did they say that? Members would not have gathered this, either, from the remarks. They said there will be no money in 7 years to pay the bills. We would not have known that, either, from the remarks about all the evil and bad things that will happen to seniors.

The worst of all things is that there be no program, that they cannot pay their bills in 7 years. That is, really, something to call to the attention of the senior citizens of the United States.

Then say, "What is wrong with doing just what they said? Review the program's financing methods, benefit provisions, and delivery mechanisms."

Now, Mr. President, if we look at what was proposed in the budget resolution for this country, it is on all fours with the recommendations of the commission that reports on the financial condition of the system. If we take what they said and find out what we ought to do, we ought to save a given amount of money to the health care insurance over the next 7 years in order to make that system stay solvent and not be bankrupt.

The budget resolution says that is what we ought to do. Now, everybody ought to understand that Medicare is

growing at about 10 percent a year. They mention that too, in the report. It cannot continue to grow at that pace and there still be money in the trust fund in 7 years to pay the bill.

It falls on someone to take a look at how we might do it better, give the seniors options, and perhaps cost the trust fund less money.

Now, that is what all of this is about. No matter how we talk about it, the truth of the matter is that many people in the U.S. Congress felt it was time to look at this and fix it. In fixing it, we just might give the senior citizens a pretty good hospital program that will cost very little more to them, but will cost less, because it will be more efficient.

We will take the fraud and waste out of the program and cause the delivery system to be restructured so you still have choice of your own doctor, but there is choice of plans, and perhaps over time we would save substantial amounts of money.

Now, Mr. President, before I read my anniversary speech on Medicare, I want to make one other comment. Those who oppose fixing the Medicare Program now cannot miss a beat without saying the Republicans are going to cut the taxes for the rich, and that is why they are fixing Medicare.

Now, Mr. President, and anyone listening, that is not true. First of all, if we take the so-called tax cuts that are proposed off the table—just do not do them—and the Medicare system will be bankrupt in 7 years. Let me repeat: The so-called tax cuts—and we will talk about them in a minute—if we take them off the table, we would not have gathered from the remarks of the distinguished Senator from Massachusetts that the Medicare system will still be broke. They are completely different issues.

If we do not fix the Medicare system, it will be short of funds, and cutting people's taxes has nothing to do with that unless Members would like to raise taxes to pay for Medicare. I have not heard anybody say that. But if we want to raise taxes, then we could talk about the program not having to be reduced in terms of cost. Mr. President, that is the fact.

In addition, in the U.S. Senate, the sense of this Senate has been that if we ever get tax cuts, and when we do, that 90 percent of the tax cuts will go to people with income under \$100,000. Now, there is a difference of opinion in this body on how that tax package will look when it comes out, if it comes out.

Essentially, to continue to try to say, "Let's don't fix Medicare so it will be available 7 years from now," instead of dying on its 37th anniversary, go beyond the 37th, perhaps to 40 and beyond, instead of addressing that issue to talk about tax cuts for the rich does not help the senior citizens one single bit.

What it does help, it helps to make a political issue out of a situation that

need not be politicized, for we actually ought to be joining hands across this aisle and with the President in fixing Medicare. I repeat, the tax cuts that are referred to in the Republican budget—take them out, and we still have to fix Medicare, because the money will not be there in 7 years. That is for certain.

Having said that, Mr. President, let me repeat, there are some who would insist that we are making changes to Medicare for other reasons. They may say we are changing it to balance the budget, or changing Medicare to lessen the tax burden on families.

Both of these claims are false. We are making changes in Medicare to save the program, to strengthen it so it can survive into the next century, and so Senators will be here well into the next century, able to congratulate the program and its founders on its anniversaries.

Any attempt to link that with cutting taxes is to no avail for the seniors of this country. Any attempt to link the two is, plain and simple, smoke and mirrors, from the opponents of reform. For there are still some—and I do not know, perhaps my friend from Massachusetts is one—who would stand and say the status quo for Medicare is good enough for seniors.

Do not worry about it, leave it alone. Now, the President said that in his first budget—“Leave it alone.” However, the President of the United States even came around, and in a 10-year proposal for a balanced budget, although it did not get there, even the President suggested that dramatic reform had to occur in the Medicare Program in an effort to keep it solvent.

This was in June when the new budget was submitted, our new budget proposal. The President claimed that would save Medicare; that budget made a good start. His budget would save \$127 billion from Medicare over the next 7 years—the same length of time as our budget.

Now, some are comparing the \$127 billion in his budget, and saying we do not need the \$270 billion to fix the program in our budget. I submit that the facts are our way. The experts on budget come down on our side.

We would like, very much, in the month of September, as part of a process up here, after hearings, meetings, input from senior groups, we would like to try our hand at reforming this.

Mr. President, there are still some who leave the impression with senior citizens that we are truly cutting the Medicare Program. Let me straighten that out with some real facts. First, we are going to slow the rate of growth of the program. Medicare spending will grow at 6.4 percent a year under our plan. To put it another way, and a more understandable way, over the next 7 years Medicare spending is going to increase from \$4,800 per person to \$6,700 per person—not down, up. From \$4,800 to \$6,700.

I know many are very concerned about the future and what kind of fu-

ture they are going to leave their children and grandchildren. And I believe, when the time comes, that when the program of reform is put before the American people it will be seen as an effort to deliver the same kind of care in different ways, to get rid of the fraud and abuse in the program, and ultimately to provide our senior citizens with far more options. They are operating under a program that is essentially 30 years old, and it is also that old in terms of what kind of a delivery system it is. While all kinds of modern ways to deliver health care, all kinds of ways of insuring people, permitting a variety of options of insurance coverage now exist, Medicare is stuck in history. It is a 30-year-old system.

We believe reform will cause seniors to get a better deal. There will be incentives built in which will make it easier, rather than more difficult, for seniors to purchase more of what they might want and less of what they might not want. Yes, there will be options for them to keep the very system they have and their own doctors.

So I want to just close by once again stating the caliber of the people who recommended that we ought to do something to fix this program—three of this President's Cabinet Members: then-Secretary Bentsen of Treasury, Secretary Shalala, and Secretary Reich. They are trustees of this system. And there were two public trustees, and they told us that we ought to fix the system. They told us it will not be around in 7 years. It will not have any money to pay the bills.

In a way, they said—and I am interpreting this—it is costing too much. Will you not take a look and see if you cannot do it better, cheaper, and protect not only the seniors who are using it now but seniors for a long time to come?

As I said, this Sunday, July 30, is the 30th anniversary of Medicare. For 30 years, Medicare has provided health protection to elderly and disabled citizens.

Medicare has been a successful program. Medicare has provided an important source of health security and needed health benefits to millions of Americans since its inception 30 years ago. Today, 37 million Americans receive the benefits and health security that Medicare provides.

But Medicare has also become an expensive program, and everyone—including the President—agrees that the system needs fundamental structural reform.

Medicare is running out of money. Unless we make changes now, Medicare will not continue to provide this same level of health security in the future.

Nevertheless, this past week, the President held a rally for Medicare. But all he talked about was the past. The President forgot the most important element of an anniversary celebration. He forgot to look toward the future. If the President fights the reforms necessary to save Medicare's fu-

ture, then in just 7 years, on the 37th anniversary of Medicare, the program will be bankrupt.

In the President's first budget, which he sent to us in February, Medicare would go bankrupt in 2002. Seven more years; that's all the President would give Medicare. After that, there would be no money to pay Medicare hospital benefits. The President would let you choose your doctor, but there would be no money to pay your hospital bills.

The President's original Medicare proposal was great—for the next 7 years. But the 37th anniversary of Medicare would be its last. Under the President's original plan, if you're on Medicare, you better not get sick 8 years from now.

Back in January, the President did not listen to his own Cabinet Secretaries. Three of his Cabinet officers—Secretary Bentsen, Secretary Shalala, and Secretary Reich, are trustees of the Medicare system. Along with the two public trustees, they told the President and the Congress that the Medicare hospital insurance trust fund had only enough money to pay benefits for the next 7 years.

The President chose to ignore that. The Republicans in Congress did not. We invited the public trustees up to Capitol Hill, to tell us what needs to be done. We listened carefully, and now we are taking their advice.

Let me read from the summary of the trustees' report. The full board of trustees say, “The Hospital Insurance Trust Fund * * * will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range.

The two public trustees tell us that:

The most critical issues relate to the Medicare Program. Both the Hospital Insurance Trust Fund and the Supplementary Medical Insurance Trust Fund show alarming results. . . . The Medicare program is clearly unsustainable in its present form. . . . We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term. We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions, and delivery mechanisms.

This is what the public trustees of Medicare recommend we do to strengthen Medicare for the future. And this is exactly what we are doing now.

There are those who claim that we are making changes to Medicare for other reasons. They say we are changing Medicare to balance the budget, or we are changing Medicare to lessen the tax burden on working families.

Both of those claims are false. We are making changes to Medicare to save the program, to strengthen Medicare so it can survive into the next century. Even if we were not balancing the budget, we would need to save Medicare. And whether or not we cut taxes, we still need to save Medicare. Any attempt to link the two is nothing more

than blue smoke and mirrors from the opponents of reform.

The Republicans in Congress have chosen to look toward Medicare's future. We decided this spring that we would save Medicare from bankruptcy, control the growth of program costs, and ensure that the program would survive past its 40th anniversary. We developed and passed a budget plan in June that guaranteed a strong Medicare into the next century.

Suddenly, the President decided to join us. In June, he submitted a new budget proposal, one which he claimed would save Medicare.

In June, the President made a good start. His budget would save \$127 billion from Medicare over the next 7 years. He is now comparing that with our budget, which will slow the program's rate of growth by \$270 billion over the next 7 years.

If I believed that we could save Medicare by doing only what the President wants to do, I would do so in a second. But, after a long, hard look at the numbers, and after extensive discussions with the Congressional Budget Office, I do not think the President's plan saves Medicare.

You see, the President has assumed that the costs of the program will not grow as fast as projected by the nonpartisan Congressional Budget Office.

The President's June budget assumes that a serious Medicare problem does not exist. He says the problem is not as hard to solve as CBO says it is. The President is much more optimistic in his assumptions than CBO.

I wish that were true, but I am afraid it is not. As much as the President wishes it would, the problem will not go away.

The President has come a long way since his first budget in January. Now all he has to do is agree to use the honest, objective, and nonpartisan CBO numbers, and we will have an excellent starting point for discussions.

All he has to do is live up to the commitment he made in his first State of the Union address, his promise that he would use CBO numbers.

We in Congress use CBO numbers. The honest, responsible way to budget is to rely on a single source for our assumptions, and that is what we did both in our budget plan, and in our plan to save Medicare. We did not make the problem go away by wishing that it would. We asked CBO and the trustees what it would take to save Medicare, to keep it alive for its 40th anniversary.

The Trustees have told us what we must do. Now we are going to do it.

We are going to slow the rate of growth of the program. Medicare spending will grow 6.4 percent per year under our plan. Over the next 7 years, Medicare spending is going to increase from \$4,800 per person, to \$6,700 per person.

I know that older Americans are seriously concerned about the future they will leave to their children and their

grandchildren. I have found that senior citizens are extremely concerned about the crushing burden of the debt that our current policies will place on their grandchildren.

And I know they want a Medicare program that is fair, both for them, and for future generations. I also know that a 65-year old couple that starts receiving Medicare this year will, over their lifetimes, receive \$117,000 more in Medicare benefits than they will put into the system in payroll taxes and premiums.

I know that this will concern many seniors, who want Medicare to be there in the future for them, for their kids, and for their grandchildren.

We are going to spend nearly 5 percent more per year on each Medicare beneficiary in this budget. So anyone who tells you that we are cutting Medicare is just trying to scare you.

What honestly should scare America's senior and disabled citizens is the prospect that we will do nothing. For if we do nothing, seniors will have hospital benefits for only 7 more years.

If we do nothing, seniors will be able to keep their doctor, but only for the next 7 years. After that, you will still have your doctor, but he will not be able to treat you in a hospital. After that, the hospital insurance trust fund will run out of money, and Medicare will not be able to pay hospital benefits.

I want to make sure that our seniors can keep their existing coverage.

I want to give them the opportunity to choose other health plans, just like my colleagues and I in the Senate can choose our health plans.

And most important, I want to make sure that they can do all these things for more than just the next 7 years.

In September, we are going to report legislation that will strengthen Medicare. We are going to simplify Medicare. And we are going to make sure that every Medicare beneficiary has the right to choose their health plan, just like my fellow Senators and I have.

We need to strengthen Medicare, and that we have to do this by controlling the program's rate of growth. The first thing we are doing is attacking the waste and fraud in the system. Every senior currently receiving Medicare knows that the system is inefficient, complex, and filled with opportunities for waste and fraud. We are going after that money first.

But all the experts tell us that will not be enough. We are going to do it, but then we are going to have to look at changes to the program, in both the short and the long run.

In the short run, we are going to look at how much we pay doctors and hospitals, and the way we pay doctors and hospitals for the services you receive. We are going to try to create the right incentives so that doctors and hospitals are smart about how they spend your money.

Most importantly, we are going to offer seniors more choices. As a U.S.

Senator, I have the ability to choose my health plan once a year. If I want a generous program with lots of benefits and no deductible, I pay a bit more. In some areas of the country, Medicare already allows seniors these choices.

We are going to expand this program, and gradually change the system so that all seniors have choices like we have in the Senate.

Some seniors are going to have to pay a little bit more. There is no way we can get around that. But we are going to come to the seniors last, after we have attacked the waste and fraud in the system, after we have made changes to the way we pay doctors and hospitals, and after we have started to phase in changes that provide seniors with more choices.

Any changes we make will be phased in gradually over time. We know that seniors on fixed incomes have difficulty adjusting to dramatic changes, and we are taking that into account.

We also know that some seniors with higher incomes have a greater ability to adapt to changes than others. We may ask those seniors to pay a bit more, to compensate for those who have just enough income to get by.

I will not let Medicare go bankrupt. Yes, I too celebrate the 30th anniversary of Medicare. It has been an important program, critical to the health of American's older and disabled citizens.

But right now, I am thinking about how we are going to make sure Medicare has a 40th anniversary and beyond.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I inquire as to what order we are in?

The PRESIDING OFFICER. Under unanimous consent, morning business has been extended until 2 p.m. Senators may speak up to 5 minutes.

Mr. CRAIG. Mr. President, I ask unanimous consent to speak for up to 5 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRESS OF TIMBER SALVAGE IN IDAHO FROM 1994 WILDFIRES

Mr. CRAIG. Mr. President, it has been 1 year since the start of the terrible wildfires which burned through Idaho last summer. Lightning strikes ignited our forests, already suffering from poor forest health, and raged through Idaho, causing devastation to 738,000 acres, one-fifth of the nationwide total acres burned in 1994.

I am here to tell the story, as it has been written so far, of the 1994 Idaho fires, and the slow progress of reforestation and timber salvage. The fires began in late July, and by early September, 14,000 firefighters had been employed across the State. Early on, Dave Alexander, forest supervisor on the Payette National Forest, called to alert me that with the dry conditions and already-dead forests adding fuel, the fires could not be stopped short of